

## LCQ17: Value for money audits for the public health institutions

Following is a question by the Hon Chan Han-pan and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (November 13):

Question:

In the past two decades, the Audit Commission conducted value for money audits on a number of occasions in respect of the work and services of particular areas under the purview of the Hospital Authority (HA) and the Department of Health (DH), and published eight and 16 reports respectively. However, such audits did not cover issues of overall operation of these two institutions. In this connection, will the Government inform this Council whether, in the past five years, the Government conducted on its own or commissioned consultants to conduct:

(1) comprehensive, large-scale and in-depth value for money audits on the overall services, use of integrated resources and administrative management (i.e. rather than particular work and services) of HA and DH; if so, of the details (including the personnel responsible for the audits, the outcome and the recommendations); if not, the reasons for that;

(2) value for money audits on the cost-effectiveness (including the effectiveness on aspects such as shortening patients' waiting time, and enhancing the efficiency of administrative management and work of healthcare workers) of the additional funding allocated by the Government respectively to HA and DH in each of the past five years; if so, of the details; if not, the reasons for that;

(3) value for money audits respectively on four aspects of the work of HA and DH, namely (i) streamlining service procedures, (ii) optimising the use of human and financial resources, (iii) alleviating the work pressure on frontline healthcare workers, and (iv) boosting the work enthusiasm and morale of healthcare teams; if so, of the details; if not, the reasons for that;

(4) value for money audits on the service cross-referral and collaboration between HA and DH; if so, of the details; if not, the reasons for that; and

(5) a cross-institutional, comprehensive and integrated value for money audit in respect of the arrangements for division of labour in the provision of public healthcare services by HA and DH; if so, of the details; if not, the reasons for that?

Reply:

President,

In consultation with the Financial Services and the Treasury Bureau (FSTB), Audit Commission, Hospital Authority (HA) and Department of Health (DH), my reply to the question raised by Hon Chan Han-pan is as follows:

(1) to (3) As an independent auditing body of the Government, the Audit Commission conducts value for money audits of government departments and related organisations from time to time with a view to examining their economy, efficiency and effectiveness when discharging their functions.

Since 1999, the Audit Commission has conducted eight and 16 value for money audits on the HA and the DH respectively. The issues examined included waiting time of the HA's patients for specialist outpatient services, drug management and public-private partnership programmes of the HA, and the DH's provision of health services for the elderly, efforts in tobacco control and provision of dental services, etc.

In addition to the audit work of the Audit Commission, the Government has been monitoring the operation and utilisation of resources of the HA and the DH through various channels.

HA

The HA is an independent statutory body established under the Hospital Authority Ordinance (Cap. 113). The Ordinance includes provisions specifying that the HA should use the hospital resources efficiently to provide hospital services of the highest possible standard with the resources obtainable.

To ensure accountability to the public for the management and control of the public healthcare services system, three Government officials are ex-officio members of the HA Board and participate in the governance of the HA. Moreover, the Government sets out the performance targets of the HA in the Controlling Officer's Report under Head 140 in the Government's Estimates each year. These performance targets cover various aspects, including access to services (such as waiting time), delivery of services, quality of services, cost of services and manpower, etc. Through regular reports submitted by the HA, the HA Board and the Government assess and examine the performance of the HA in accordance with these targets. Relevant service targets, performance and budget estimates are submitted for the vetting and approval of the Legislative Council (LegCo) every year. In the past three years, the Government has provided around 200 to 250 replies regarding funding for the HA and relevant services each year in response to questions raised by the LegCo Finance Committee Members during the examination of the annual estimates of expenditure by the Finance Committee.

In 2013, the Government established the Steering Committee on Review of the HA to conduct a comprehensive review of the operation of the HA to explore viable measures for enhancing the cost-effectiveness and quality of its services. The Steering Committee issued a report in July 2015 and the HA formulated an action plan in October of the same year with a view to

implementing the recommendations of the Steering Committee within three years. The Government has been closely monitoring the progress of the HA's implementation of the recommendations. The HA submitted a final report to the Government in October 2018 concluding the completion of the implementation of the HA Review Action Plan. The HA will continue to implement the on-going and continuous initiatives for the enhancement of public healthcare services in Hong Kong.

The HA's Group Internal Audit Department is established under the HA's governance and control framework. It is operationally independent of the HA management and reports directly to the Audit and Risk Committee of the HA Board. The Group Internal Audit Department helps the HA to evaluate and improve the effectiveness of internal controls, risk management, and governance processes of HA through adopting a systematic and disciplined approach. Its scope covers HA-wide significant risk areas and includes examining value for money in terms of economical, efficient and effective use of resources.

Besides, the HA has established various key performance indicators, and measures the quality and efficiency of key service performance through the established performance benchmarks to drive service improvement. The HA also measures the performance outcome of initiatives against the pre-set targets or deliverables of the funded programmes formulated through the annual planning exercise. In addition to submitting quarterly progress review reports, which set out the service performance on the key performance indicators of the HA and progress of funded programmes under the annual plan, to the Food and Health Bureau (FHB), the HA also reports quarterly to the HA Board on the relevant progress. Moreover, the HA will provide in the HA Annual Report an overview on the HA's performance and achievement for the year under report for public reference.

Regarding funding for the HA, the Government allocated \$68.8 billion to the HA in 2019-20, which was an increase of \$18 billion (or i.e. 35 per cent) over the \$50.8 billion allocation in 2015-16. The additional funding is mainly used to address the increasing demand for healthcare services, and to implement new measures and enhance services. Major areas of work are as follows:

- (1) opening new beds in public hospitals;
- (2) phased commissioning of the planned medical services of the completed hospital projects in a timely manner. Hospital projects completed in recent years include Tin Shui Wai Hospital, North Lantau Hospital (Phase 1) and Hong Kong Children's Hospital;
- (3) expanding palliative care services;
- (4) enhancing treatment and management of cancers and chronic diseases (such as renal diseases and cardiac diseases);
- (5) strengthening mental health services;
- (6) continuing to enhance access to accident and emergency, surgical, endoscopic, diagnostic imaging, specialist outpatient and general outpatient services;
- (7) strengthening support for chronic disease patients through adopting a

multi-disciplinary approach in accordance with the primary care development strategy;

(8) improving quality and safety of services, including strengthening support for clinical service delivery and enhanced response to contingencies;

(9) widening the coverage of the HA Drug Formulary and extending the therapeutic applications of drugs;

(10) providing appropriate and affordable drugs and treatments for patients with uncommon disorders; and

(11) strengthening manpower, including implementing various measures to attract and retain staff.

Regarding healthcare manpower, the HA has been actively pursuing various human resources measures to retain talents and relieve pressure of frontline healthcare staff. The HA continues to recruit full-time healthcare staff, increase the number of Resident Trainee posts to recruit all qualified local medical graduates, and recruit qualified non-locally trained doctors through limited registration.

To enhance manpower support in the short term, the HA actively recruits part-time and temporary healthcare staff, as well as agency nurses and supporting staff. The HA has set up the Locum Office to promote the flexible recruitment of part-time healthcare professionals, and launched the Locum Recruitment Website in November 2018 to provide a more flexible and efficient way of recruitment, so as to attract and recruit more part-time doctors and nurses to work in public hospitals with a view to strengthening manpower support. The HA has also implemented the Special Retired and Rehire Scheme to rehire the retired staff to continue to perform clinical duties in the HA.

In addition, the HA has since April 1, 2019 increased the Fixed Rate Honorarium for doctors, and enhanced the pay for serving Patient Care Assistants, Operation Assistants and Executive Assistants and the respective new recruits. The HA will also continue to enhance the promotion prospects of healthcare staff, increase flexibility of working arrangements, enhance training opportunities and preceptorship support, improve working environment, and recruit ward clerk and assistants to boost staff morale and retain manpower. The Government will continue to closely liaise with the HA to formulate other short, medium and long term measures, and examine the effectiveness of various measures with a view to alleviating the pressure on healthcare staff in the HA.

DH

The DH sets out the service targets in the annual Controlling Officer's Report under Head 37 and measures the quality and efficiency of performance of major services through established performance indicators. Relevant service targets, performance and budget estimates are submitted for the vetting and approval of the LegCo every year. In the past three years, the Government has provided around 100 to 200 replies regarding funding for the DH and relevant services each year in response to questions raised by the Members during the examination of the annual estimates of expenditure by the Finance Committee.

Besides, the DH is committed to providing quality services and implements the "Performance Pledges Scheme" covering 21 service categories, including elderly health services, family health services, student health services, tuberculosis and chest services, etc. The pledges for most of the services can be met. The DH also conducts regular customer satisfaction surveys to understand the users' satisfaction level with individual services of the DH and identify areas for improvement.

The DH has an Internal Audit Section for conducting internal audit for various service functions of the department covering operational workflow, payment workflow, fund management as well as value for money studies. It provides comments and suggestions on improving cost effectiveness and internal control measures for consideration by the Departmental Audit Committee.

In addition, advisory committees have been established for various public health programmes run by the DH. Independent statutory bodies (such as Councils and Boards) have also been set up to advise on the DH's enforcement of health-related legislation. These advisory committees and independent statutory bodies are composed of members from different sectors and professions, so as to facilitate monitoring of the implementation of public health programmes and enforcement of health-related legislation.

The total budget of the DH in 2019-20 is \$13.3 billion, representing an increase of \$6.8 billion (or i.e. 105 per cent) from \$6.5 billion in 2015-16. The increased provision is mainly for meeting the increasing service demands under the DH's programmes (including statutory functions, disease prevention, medical care and civil service medical and dental services, etc), implementing new measures and enhancing services. Some of the major items are as follows:

- (1) increase in personal emoluments and personnel related expenses mainly attributable to the increase in establishment and civil service pay adjustments;
- (2) optimisation of the Elderly Health Care Voucher Scheme, including the provision of an additional one-off medical voucher of \$1,000 in 2018 and 2019 to each eligible elders; and raising the maximum accumulation limit of medical voucher to \$8,000 in 2019;
- (3) increase in expense on reimbursement of medical fees and hospital fees for civil servants and eligible persons; and
- (4) implementation of other disease prevention and control measures, including the introduction of colorectal cancer screening programme and the conversion of the programme into a regular one; implementation and optimisation of various vaccination schemes (including the seasonal influenza vaccination scheme, the pneumococcal vaccine subsidy scheme, and cervical cancer vaccination scheme, etc); provision of health screening services for new boundary control points and increase in provision for medicine expenses for the DH's services.

Regarding the medical manpower, the DH has been recruiting talents in a

multi-pronged manner to alleviate the shortage of medical manpower. Various measures include appointment of civil service and contract staff (including staff on non-civil service contract and post-retirement service contract terms), extension of service of civil service medical staff reaching normal retirement age; recruiting contract doctors (including doctors with limited registration) throughout the year; recruiting civil service doctors throughout the year since September 2019 and raising their entry salary point based on the applicant's experience and academic qualifications. In addition, the DH organises recruitment seminars for overseas and local medical students and interns; promulgates the recruitment exercises through the Internet and medical magazines; and provides suitable training support for the serving doctors of the DH including the provision of specialist training, provision of examination support for specialists by the two commissioned universities, and provision of sponsorship for them to pursue postgraduate courses. The DH reviews the effectiveness of various short, medium and long term human resource measures from time to time with a view to increasing the medical manpower and retaining talents.

The Government will closely monitor the various work and measures of the HA and the DH mentioned above to ensure efficient use of resources for providing suitable services to the public.

(4) and (5) The DH and the HA are two major department and institution under the Hong Kong public healthcare system and play their respective roles and responsibilities. The DH is the Government's health adviser. It performs public health functions including health promotion, disease prevention as well as regulation of drugs, healthcare professionals and healthcare facilities. Meanwhile, the HA provides the public with a wide range of curative and rehabilitative services through its hospitals, specialist outpatient clinics, general out-patient clinics and community outreach teams.

The HA and the DH have been complementing and facilitating promotion of the Government's policies in different areas such as health promotion, public health and public healthcare services through collaboration and service referrals at different levels to serve the public. The DH's units which provide primary healthcare services, such as Maternal and Child Health Centres, Student Health Service Centres and Elderly Health Centres, will refer their patients to the specialist outpatient clinics of the HA for follow-up treatment according to their needs. Similarly, the DH will also take on cases referred by the HA for specialist services, such as those provided in the DH's dermatological clinics, chest clinics and the clinical services for people infected with Human Immunodeficiency Virus. The DH and the HA have been working in tandem to offer medical services while performing their respective functions. In addition, the FHB coordinates inter-departmental efforts in public health and medical programmes through various platforms and communication channels, such as colorectal cancer screening programme, organ donation promotion and winter surge preparation. The HA will also report the progress of individual projects as required by the Government.

The Government will continue to liaise closely with the DH and the HA,

and review the service arrangements when necessary with a view to providing comprehensive public health and medical services that meet the needs of the community.